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Chapter No. 359
18/HR43/R818
CST/ETH

HOUSE BILL NO. 904

Originated in House



Clerk

HOUSE BILL NO. 904

AN ACT TO REENACT SECTIONS 75-24-351 THROUGH 75-24-357, MISSISSIPPI CODE OF 1972, WHICH PROHIBIT BAD FAITH ASSERTIONS OF PATENT INFRINGEMENT AND ESTABLISH REMEDIES FOR PREVAILING PLAINTIFFS IN CIVIL ACTIONS INSTITUTED UNDER THOSE STATUTES; TO CREATE NEW SECTION 75-24-359, MISSISSIPPI CODE OF 1972, TO CODIFY AND EXTEND THE DATE OF THE REPEALER ON THOSE REENACTED SECTIONS; TO AMEND SECTION 5, CHAPTER 416, LAWS OF 2015, TO DELETE THE REPEALER ON THE REENACTED SECTIONS PROHIBITING BAD FAITH ASSERTIONS OF PATENT INFRINGEMENT FROM THE EFFECTIVE DATE SECTION OF CHAPTER 416, LAWS OF 2015; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. Section 75-24-351, Mississippi Code of 1972, is reenacted as follows:

75-24-351. The following words shall have the following meaning, unless the content clearly states otherwise:

(a) "Affiliated person" means a person under common ownership or control of an intended recipient.

(b) "Intended recipient" means a person who purchases, rents, leases or otherwise obtains a product or service in the commercial market that is not for resale in the ordinary business

and that is, or later becomes, the subject of a patent infringement allegation.

(c) "Person" means any natural person, partnership, corporation, company, trust, business entity or association, and any agent, employee, partner, officer, director, member, associate, or trustee thereof.

SECTION 2. Section 75-24-353, Mississippi Code of 1972, is reenacted as follows:

75-24-353. (1) It is a violation of Sections 75-24-351 through 75-24-357 for a person, in connection with the assertion of a United States patent, to send, or cause any person to send, any written or electronic communication that states that the intended recipient or any affiliated person is infringing or has infringed a patent and bears liability or owes compensation to another person if:

(a) The communication threatens litigation if compensation is not paid or the infringement issue is not otherwise resolved and there is a consistent pattern of such threats having been issued and no litigation having been filed;

(b) The communication falsely states that litigation has been filed against the intended recipient or any affiliated person; or

(c) The assertions contained in the communication lack a reasonable basis in fact or law because:

(i) The person asserting the patent is not a person, or does not represent a person, with the current right to license the patent to, or to enforce the patent against, the intended recipient or any affiliated person;

(ii) The communication seeks compensation for a patent that has been held to be invalid or unenforceable in a final, unappealable or unappealed judicial or administrative decision;

(iii) The communication seeks compensation on account of activities undertaken after the patent has expired; or

(iv) The content of the communication fails to include the information necessary to inform an intended recipient or any affiliated person about the patent assertion by failing to include any one of the following:

1. The identity of the person asserting a right to license the patent to or enforce the patent against the intended recipient or any affiliated person;

2. The patent number issued by the United States Patent and Trademark Office alleged to have been infringed; or

3. The factual allegations concerning the specific areas in which the intended recipient or affiliated person's products, services, or technology infringed the patent or are covered by the claims in the patent.

(2) It is not a violation of Sections 75-24-351 through 75-24-357 for any person who owns or has the right to license or enforce a patent to:

(a) Advise others of that ownership or right of license or enforcement;

(b) Communicate to others that a patent is available for license or sale;

(c) Notify another of the infringement of the patent;
or

(d) Seek compensation on account of past or present infringement, or for a license to the patent, if the person is not acting in bad faith.

(3) The provisions of Sections 75-24-351 through 75-24-357 shall not apply to any written or electronic communication sent by:

(a) Any owner of a patent who is using the patent in connection with substantial research, development, production, manufacturing, processing or delivery of products or materials;

(b) A state institution of higher learning;

(c) An agency of the State of Mississippi;

(d) A technology transfer organization that is owned by or has a written affiliation agreement with a state institution of higher learning or an agency of the State of Mississippi, or is formed pursuant to Section 37-147-1 et seq.;

(e) Any person that has licensed patent rights from a state institution of higher learning, an agency of the State of Mississippi, or a technology transfer organization that is owned by or has a written affiliation agreement, a state institution of higher learning or an agency of the State of Mississippi, or is formed pursuant to Section 37-147-1 et seq., provided that the ownership of the patent rights remains with the state institution of higher learning, the agency of the State of Mississippi, or the technology transfer organization that is owned by or has a written affiliation agreement with a state institution of higher learning or an agency of the State of Mississippi, or is formed pursuant to Section 37-147-1 et seq.; or

(f) Any person seeking a claim for relief arising under 35 USC Section 271(e)(2) or 42 USC Section 262s.

SECTION 3. Section 75-24-355, Mississippi Code of 1972, is reenacted as follows:

75-24-355. (1) The Attorney General shall have the authority under Sections 75-24-351 through 75-24-357 to conduct civil investigations and bring civil actions.

(2) In an action brought by the Attorney General under Sections 75-24-351 through 75-24-357, the court may award or impose any relief available under state law.

(3) In addition to the relief provided for in Section 75-24-357, upon a motion by the Attorney General and a finding by the court that there is a reasonable likelihood that a person

violated Section 75-24-353, the court may require the person to post a bond in an amount equal to a good faith estimate of the costs to litigate a claim and amounts reasonably likely to be recovered if an action were to be brought under Section 75-24-355. A hearing shall be held if either party requests a hearing.

SECTION 4. Section 75-24-357, Mississippi Code of 1972, is reenacted as follows:

75-24-357. An intended recipient alleging a violation of Sections 75-24-351 through 75-24-357 may bring an action in any circuit court in this state. A court shall award litigation costs and fees, including reasonable attorney's fees, to a plaintiff who prevails in an action brought pursuant to this section. In addition, the court may award the following remedies to a plaintiff who prevails in an action brought pursuant to Sections 75-24-351 through 75-24-357:

(a) Actual damages; and

(b) Punitive damages in the amount equal to three (3) times the actual damages.

SECTION 5. The following shall be codified as Section 75-24-359, Mississippi Code of 1972:

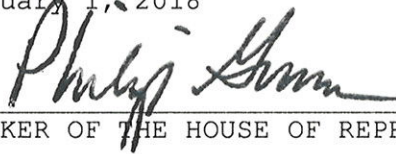
75-24-359. Sections 75-24-351 through 75-24-359, Mississippi Code of 1972, shall stand repealed on July 1, 2021.

SECTION 6. Section 5, Chapter 416, Laws of 2015, is amended as follows:

Section 5. This act shall take effect and be in force from and after July 1, 2015 * * *.

SECTION 7. This act shall take effect and be in force from and after July 1, 2018.

PASSED BY THE HOUSE OF REPRESENTATIVES
February 1, 2018



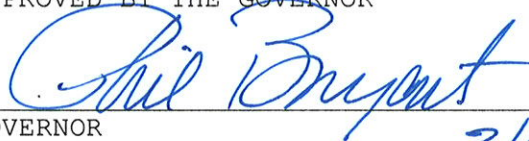
SPEAKER OF THE HOUSE OF REPRESENTATIVES

PASSED BY THE SENATE
March 5, 2018



PRESIDENT OF THE SENATE

APPROVED BY THE GOVERNOR



GOVERNOR

3/15/18

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